

**Guinea Insurance Plc
Management Accounts
30 September, 2021**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
for the period ended 30th September, 2021		JAN - SEP 2021	JAN - SEP 2020
In thousands of Naira	Notes	30/Sep/21	30/Sep/20
Gross premium written	1	1,094,311	795,776
Movement in unearned premium	1	(96,387)	(15,092)
Gross premium income	1	997,925	780,684
Reinsurance expenses	2	(342,701)	(223,554)
Net premium income		655,224	557,130
Fees and commission income on reinsurance	3	46,811	56,397
Net underwriting Income		702,035	613,527
Claims expenses	4	(14,744)	(177,100)
Underwriting expenses	5	(274,383)	(200,429)
Underwriting profit		412,908	235,998
Investment Income	6	61,558	102,282
Fair value gains on investment properties	7	-	-
Other operating income/(loss)	8	51,990	13,293
Revaluation loss		-	-
Impairment (charge)/reversal	9 (a)	-	-
Finance cost	10	-	-
Other operating expenses	9	(520,374)	(489,871)
Profit/(Loss) before taxation		6,082	(138,299)
Income tax (expense)/credit	11	(912)	(4,571)
Profit/(Loss) after taxation		5,170	(142,870)
Other comprehensive income			
Items within OCI that may be reclassified to the profit or loss:			-
Gain/(loss) on available-for-sale financial assets	14	(612)	(6,590)
Related tax			
Remeasurement gains on defined benefit			
Items within OCI that will not be reclassified to the profit or loss:			-
Revaluation gains on land and building	15	-	-
Total other comprehensive income		(612)	(6,590)
Total comprehensive profit for the year, net of tax		4,558	(149,460)
Contingency Reserve		32,829	20,557
Earnings/(Loss) per share - Basic and Diluted (kobo)	13	0.08	(2)

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
for the period ended 30 September, 2021	JAN - MAR 2021	JAN - MAR 2020	APR - JUN 2021	APR - JUN 2020	JUL - SEP 2021	JUL - SEP 2020
In thousands of Naira	THREE MONTHS	THREE MONTHS	THREE MONTHS	THREE MONTHS	THREE MONTHS	THREE MONTHS
Gross premium written	345,494	207,076	462,300	307,338	286,518	281,362
Movement in unearned premium	(50,876)	48,155	(105,687)	(44,388)	60,177	(18,858)
Gross premium income	294,617	255,231	356,613	262,949	346,694	262,503
Reinsurance expenses	(96,501)	(50,163)	(121,034)	(94,592)	(125,166)	(78,799)
Net premium income	198,117	205,068	235,579	168,358	221,528	183,705
Fees and commission income on reinsurance	22,482	23,053	(5,430)	13,056	29,759	20,288
Net underwriting Income	220,598	228,121	230,149	181,414	251,287	203,993
Claims expenses	(40,222)	(89,794)	(30,220)	(10,580)	55,698	(76,726)
Underwriting expenses	(80,957)	(47,159)	(110,408)	(78,783)	(83,018)	(74,488)
Underwriting profit	99,419	91,169	89,521	92,051	223,968	52,779
Investment Income	5,799	47,659	25,562	31,474	30,197	23,148
Fair value gains on investment properties	-	-	-	-	-	-
Other operating income/(loss)	192	67	(273)	570	52,071	12,657
Revaluation loss	-	-	-	-	-	-
Impairment (charge)/reversal	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Other operating expenses	(166,623)	(162,699)	(144,192)	(174,655)	(209,559)	(152,517)
Profit/(Loss) before taxation	(61,213)	(23,804)	(29,381)	(50,561)	96,676	(63,934)
Income tax (expense)/credit	-	-	-	(2,571)	(912)	(2,000)
Profit/(Loss) after taxation	(61,213)	(23,804)	(29,381)	(53,132)	95,764	(65,934)
Other comprehensive income						
Items within OCI that may be reclassified to the profit or loss:						
Gain/(loss) on available-for-sale financial assets	7,353	(6,133)	110,632	(337)	(118,597)	(119)
Related tax						
Revaluation gains on land and building	23,786	-	-	-	-	-
Total other comprehensive income	31,139	(6,133)	110,632	(337)	(118,597)	(119)
Total comprehensive profit for the year, net of tax	(30,074)	(29,938)	81,251	(53,469)	(22,833)	60,574
Contingency Reserve	10,365	6,212	13,869	9,220	8,596	5,125
Earnings/(Loss) per share - Basic and Diluted (kobo)	(1)	(0.18)	(0.48)	(0.87)	1.6	(0.41)

and the accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
As At 30TH SEPTEMBER, 2021

In thousands of Naira		30/09/2021	30/09/2020	31/12/2020
	Note			
Assets				
Cash and cash equivalents	16	466,820	557,321	671,661
Financial assets:				
Available-for-sale financial assets	17	262,622	211,490	263,233
Held to maturity	18	939,446	1,084,392	886,042
Trade receivables	19	-	-	-
Reinsurance assets	20	423,126	327,669	300,328
Deferred acquisition costs	21	82,269	65,111	62,932
Other receivables and prepayments	22	67,222	69,670	55,676
Investment properties	23	85,000	78,000	85,000
Intangible Asset	25	6,266	4,687	4,742
Property and equipment	26	904,467	752,938	841,484
Statutory deposit	27	333,654	333,654	333,654
Total assets		3,570,890	3,484,932	3,504,752
Liabilities				
Insurance contract liabilities	28	903,520	930,194	902,593
Trade payables	29	71,091	-	-
Other payables and accruals	30	171,309	122,090	134,074
Employee benefit obligations	32	9,148	5,512	1,743
Current tax payable	24.1	30,678	83,051	85,756
Deferred tax liabilities	24.2	111,311	107,368	111,311
Deposit for shares	33	151,400	151,400	151,400
Total liabilities		1,448,456	1,399,614	1,386,877
Equity				
Issued share capital	34.2	3,070,000	3,070,000	3,070,000
Share premium	35	337,545	337,545	337,545
Contingency reserve	36	584,153	542,751	551,323
Accumulated losses	37	(2,047,071)	(1,967,867)	(2,019,412)
Available-for-sale reserve and others	38	112,120	60,987	112,730
Other reserves	40	65,688	41,902	65,688
Total equity		2,122,434	2,085,318	2,117,875
Total liabilities and equity		3,570,890	3,484,932	3,504,751

These financial statements were approved by the Board of Directors on 25th October 2021 and signed on behalf of the Board of directors by:



Ademola Abidogun
Managing Director/Chief Executive Officer
FRC/2016/CIIN/00000014549



Pius Edobor
Executive Director, Finance
FRC/2013/ICAN/00000004638

STATEMENTS OF CHANGES IN EQUITY
for the period ended 30th September, 2021

In thousands of Naira	Issued share capital	Accumulated Losses	Share premium	Contingency reserve	AFS Reserves	Asset revaluation	Defined benefit	Total equity
As at 1 January 2021	3,070,000	(2,019,412)	337,545	551,323	112,731	65,688	-	2,117,876
Loss for the year	-	5,170	-	-	-	-	-	5,170
Other comprehensive income:								
Reversal of prior year fair value loss								
Fair value changes on AFS	-	-	-	-	(612)	-	-	(612)
Revaluation gain on PPE								
Employee defined benefit								
Income tax impact on OCI								
Total comprehensive income for the year	-	5,170	-	-	(612)	-	-	4,558
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	(32,829)	-	32,829	-	-	-	-
Reclassification	-	(32,829)	-	32,829	-	-	-	-
As at 30th September, 2021	3,070,000	(2,047,071)	337,545	584,153	112,120	65,688	-	2,122,434

for the Period ended 30th September, 2020
In thousands of Naira

As at 1 January 2020	3,070,000	(1,759,222)	337,545	518,878	65,513	-	-	2,232,713
Profit for the year	-	(142,870)	-	-	-	-	-	(142,870)
Transfer to contingency reserve								-
Other comprehensive income:								
Reversal of prior year fair value loss	-	-	-	-	(4,525)	-	-	(4,525)
Fair value changes on AFS								-
Changes in valuation of land and building								-
Reclassification								-
Income tax impact on OCI	-	-	-	-	-	-	-	-
Total comprehensive income for the year	3,070,000	(1,902,092)	337,545	518,878	60,987	-	-	2,085,318
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	(23,873)	-	23,873	-	-	-	-
As at 30th September, 2020	3,070,000	(1,925,965)	337,545	542,751	60,987	-	-	2,085,318

STATEMENT OF CASH FLOWS
for the period ended 30th September, 2021

In thousands of Naira		30-Sep-21	30-Sep-20	31/Dec/20
Operating activities:	Note			
Premium received	45.1	1,094,311	801,001	1,086,733
Commission received	45.2	30,445	63,994	83,779
Commission paid	21	(157,837)	(136,328)	(182,484)
Reinsurance premium paid	45.3	(394,408)	(298,803)	(334,402)
Gross claim paid	45.4	(227,430)	(244,434)	(271,589)
Reinsurance recoveries	45.4	117,226	72,238	212,822
Payments to employees	45.5	(229,461)	(236,748)	(322,619)
Other operating cash payments	45.6	(345,124)	(230,835)	(442,188)
Other income received	45.8	-	47	47
Tax paid	24.1	(2,630)	(6,456)	(6,456)
Net cash flow from operating activities		(114,907)	(216,324)	(176,356)
Investing activities:				
Investment income received	45.7	61,558	102,282	84,245
Purchase of property and equipment	26	(98,089)	(9,178)	(81,854)
Proceed from sale of property and equipment		-	-	3,704
Purchase/sales of financial assets		(53,403)	-	161,381
Proceed/(purchase) of investment properties		-	-	-
Net cash flows from investing activities		(89,934)	93,104	167,476
Financing activities:				
Deposit for shares	33	-	-	-
Interest repayment on finance lease		-	-	-
principal repayment on finance lease		-	-	-
Net cash flows from financing activities		-	-	-
Net increase in cash and cash equivalents		(204,841)	(123,220)	(8,880)
Effect of exchange rate changes on cash and cash equivalent		-	-	-
Cash and cash equivalents at 1 January		671,661	680,541	680,541
Cash and cash equivalents at 30th september 2021		466,820	557,321	671,661

1	Gross premium income		
	In thousands of Naira		
		<u>30/Sep/21</u>	<u>30/Sep/20</u>
	Gross premium written	1,094,311	795,776
	Movement in unearned premium (see note 28.4)	<u>(96,387)</u>	<u>(15,092)</u>
		<u>997,925</u>	<u>780,684</u>

(a)	Gross Premium Income Movement		Movement in unearned premium (see note 28.4)	Gross premium income
	In thousands of Naira	Gross premium written		
		<u>30/Sep/21</u>	<u>30/Sep/21</u>	<u>30/Sep/21</u>
	Motor	241,821	(13,486)	255,308
	Fire	228,122	1,682	226,440
	Marine and aviation	60,564	14,808	45,755
	General Accident	240,690	3,760	236,930
	Oil and Gas	323,114	89,623	233,492
		<u>1,094,311</u>	<u>96,387</u>	<u>997,925</u>

2	Re-insurance expenses		
		<u>30/Sep/21</u>	<u>30/Sep/20</u>
	Gross premium ceded to reinsurers	414,284	298,803
	Movement in reinsurance expense	<u>(71,584)</u>	<u>(75,249)</u>
	Reinsurance expense for the year	<u>342,701</u>	<u>223,554</u>

3	Fees and commission income on reinsurance		
		<u>30/Sep/21</u>	<u>30/Sep/20</u>
	Commission received on treaty reinsurance	27,717	31,625
	Commission received on facultative reinsurance	18,847	24,355
	Over-riding commission received.	<u>246</u>	<u>417</u>
		<u>46,811</u>	<u>56,397</u>

4	Claims expenses		
		<u>30/Sep/21</u>	<u>30/Sep/20</u>
	Claims paid during the year	227,430	244,434
	Movement in outstanding claims	<u>(95,460)</u>	<u>70,946</u>
	Movement in IBNR	-	-
	Total claims incurred for the year	<u>131,970</u>	<u>315,381</u>
	Recoveries from reinsurers	<u>(117,226)</u>	<u>(138,937)</u>
	Movement in reinsurance share of outstanding claims	-	657
	Movement in reinsurance share of outstanding claims IBNR	-	-
		<u>14,744</u>	<u>177,100</u>

5	Underwriting expenses		
		<u>30/Sep/21</u>	<u>30/Sep/20</u>
	Acquisition cost (see note 21 and see (a) below)	157,837	126,818
	Underwriting cost	<u>116,546</u>	<u>73,611</u>
		<u>274,383</u>	<u>200,429</u>

6 Investment income	30/Sep/21	30/Sep/20
Rental income - property	7,859	3,857
Dividend income on AFS equity	9,009	7,262
Interest income on statutory deposit with CBN	4,994	31,668
Interest Income- Team deposit	927	11,187
Interest income on treasury bills	38,770	48,307
	61,558	102,282
Gain from sale of investment property	-	-
	61,558	102,282

7 Net fair value gains	30/Sep/21	30/Sep/20
In thousands of Naira		
(a) Fair value gains on investment properties	-	-
	-	-

8 Other operating income	30/Sep/21	30/Sep/20
In thousands of Naira		
Recoveries from other receivables	-	47
Revaluation (loss)/gain on building (See note 25)	-	-
Realized forex gains/(loss)	2	-
Gain/(loss) from disposal of company's	8,604	1,856
Unrealized forex gains	57	11,390
Sundry Income /(loss)	43,327	-
	51,990	13,293

9 Other operating expenses	30/Sep/21	30/Sep/20
In thousands of Naira		
Depreciation and amortization	37,818	39,310
Auditors' remuneration	3,750	3,750
Staff cost	236,866	237,943
Legal and professional fees	45,669	33,890
Rent and Rates	8,563	8,647
Administrative expenses (see note 9c)	187,708	166,330
	520,374	489,871

Administrative expenses include car repairs and maintenance, ICT expenses, office maintenance,

(a) Impairment (charge)/reversal	30/Sep/21	30/Sep/20
In thousands of Naira		
Available for sale financial asset		
Other receivables (see note 22.1)	-	-
Reinsurance Assets	-	-
	-	-

(b) Staff cost	30/Sep/21	30/Sep/20
In thousands of Naira		
Wages and salaries	227,319	228,115
Defined benefit plan cost	-	-
Pension costs	9,547	9,828
	236,866	237,943

(c) Administrative expenses (see note 9c)

In thousands of Naira	30/Sep/21	30/Sep/20
OFFICE MAINTAINANCE	3,829	2,419
CAR PETROL & DIESEL	14,276	12,270
CAR REPAIRS & MAINTENANCE	8,981	6,875
BOOKS AND PERIODCLS	32	12
OFFICE CONSMBLS AND STAT'RY	2,272	2,194
POSTAGE & COURIER SERVICES	928	923
EQUIPMENT REPAIRS & MAINTAINANCE	2,771	2,381
TELEPHONE, TELEX & FAX	4,372	5,467
TRANSPORT EXPENSES	630	657
TOUR & TRAVEL	8,080	3,972
OFFICE EXPENSES	3,346	3,757
ELECTRICITY & ENERGY	205	35
ENTERTAINMENT EXPENSES	515	643
ICT EXPENSES	14,906	14,503
PRINTING	3,918	3,303
OFFICE SERVICE CHARGE	7,084	9,216
TRANSPORT EXPENSE UBER	3,503	3,911
DIRECTORS REMUNERATION	4,784	-
DIRECTORS EXPENSES	11,052	9,010
ANNUAL GENERAL MEETING	5,118	5,901
SUBSCRIPTION	4,961	4,084
ADVERTISING	3,914	3,024
CORPORATE GIFTS	13,000	8,552
DONATION & CONTRIBUTIONS	100	1,000
PUBLIC RELATION	-	-
STATUTORY LEVY	12,446	19,459
NAICOM & ASSOCIATED DUES	2,169	2,021
TAX CONSULTANCY FEES	-	-
BANK CHARGES	8,304	5,051
NIGERIA INSURANCE ASSOCIATION - NIA	3,000	-
NIGERIA STOCK EXCHANGE	2,250	-
PAYE	2,713	-
INDUSTRIAL TRAINING FUND - ITF	2,909	2,802
FINANCIAL REPORTING COUNCIL OF NIGERIA -FRCN	1,991	-
WTH TAX EXPENSES	-	2,967
GOVERNMENT LEVY	913	-
VAT	-	-
NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT FUI	-	-
NATIONAL INFORMATION TECHNOLOGY	-	-
DEVELOPMENT FUND (NITDF) LEVY	-	-
INSURANCE	4,582	5,577
STAMP DUTY	402	84
CONTRACTORS - OUTSOURCED STAFF	12,172	15,632
HMO EXPENSES	9,980	8,629
FINES & PENALTIES	1,300	-
	187,708	166,330

Office running expenses includes car repairs and maintenance, ICT expenses and office maintenance.

10 Finance cost

In thousands of Naira	30/Sep/21	30/Sep/20
	-	-
	-	-

This represent interest charged on motor vehicles purchased on fianance lease.

11 Current tax

11.1 Charge for the year

In thousands of Naira	<u>30/Sep/21</u>	<u>30/Sep/20</u>
Recognised in profit or loss		
Income tax	(912)	(4,571)
Minimum tax	-	-
Tertiary education tax	-	-
NITDA	-	-
Prior year under provision	-	-
	(912)	(4,571)
Deferred tax (credit)/charge (see note 24.2)	-	(6,456)
	<u>(912)</u>	<u>(11,027)</u>

11.2 Reconciliation of effective tax rate

In thousands of Naira		<u>30/Sep/21</u>		<u>30/Sep/20</u>
	Tax rate	Amount	Tax rate	Amount
	%		%	
Profit/ (loss) before tax		5,170		(801,642)
Income tax using the domestic corporation tax rate	30%	-	30%	-
Non-deductible expenses	0%	-	0%	-
Minimum tax		-		-
Tax exempt income	0%	-	0%	-
Impact of Industry tax law	0%	-	0%	-
Unrelieved loss	0%	-	0%	-
Changes in estimates related to prior years	0%	-	0%	-
	<u>30%</u>	<u>-</u>	<u>30%</u>	<u>-</u>

12 Dividends paid and proposed

No dividend was proposed or paid by the Company for the period ended December 31, 2020 (2019: nil).

13 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year outstanding at the reporting date. There are no potential diluted shares

	<u>30/Sep/21</u>	<u>30/Sep/20</u>
Profit attributable to ordinary shareholders (N'000)	5,170	(142,870)
	Unit	Unit
Weighted average number of ordinary shares issued ('000)	6,140,000	6,140,000

There were no dilutive shares during the year

Basic and diluted earnings per ordinary share (Kobo)	<u>0.08</u>	<u>(2.33)</u>
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14 Net unrealized (loss)/gains on available-for-sale financial asset	<u>30/Sep/21</u>	<u>30/Sep/20</u>
In thousands of Naira		
	(612)	(4,525)
Unrealised (loss)/gains on available-for-sale financial assets		
Reclassification adjustments to gains included in profit or loss	<u>(612)</u>	<u>(4,525)</u>

15 Net unrealized (loss)/gains on ppe - land & building

In thousands of Naira	<u>30/Sep/21</u>	<u>30/Sep/20</u>
Unrealised (loss)/gains on ppe - land & building	-	-
Reclassification adjustments to gains included in profit or loss	-	-
	<u>-</u>	<u>-</u>

16 Cash and cash equivalents

In thousands of Naira	<u>30/Sep/21</u>	<u>30/Sep/20</u>	<u>31/Dec/20</u>
Cash and cash equivalent comprises :			
Cash in Hand	-	-	-
Balance held with banks in Nigeria	455,971	315,444.91	661,137
Placements	10,848	241,875.94	10,524
	<u>466,820</u>	<u>557,321</u>	<u>671,661</u>

Representing:

Policyholder's fund	315,420	405,921	520,261
Shareholder's fund	151,400	151,400	151,400
	<u>466,820</u>	<u>557,321</u>	<u>671,661</u>

Placements comprise deposits with maturity periods of less than 90 days from the value date of the instruments. All placements are subject to an average variable interest rate of 2.0% (2019: 8.0%) obtainable in the market.

are all current balances

17 Available-for-sale financial assets comprises:

In thousands of Naira	<u>30/Sep/21</u>	<u>30/Sep/20</u>	<u>31/Dec/20</u>
Available-for-sale financial assets	262,622	211,490	263,233
	<u>262,622</u>	<u>211,490</u>	<u>263,233</u>

17.1 Available-for-sale financial assets comprises:

	<u>30/Sep/21</u>	<u>30/Sep/20</u>	<u>31/Dec/20</u>
Equity securities			
Quoted (see (a) below)	56,208	48,975	56,820
Unquoted (see (b) below)	209,582	165,684	209,582
Impairment loss	(3,168)	(3,168)	(3,168)
Treasury bills	-	-	-
	<u>262,622</u>	<u>211,490</u>	<u>263,234</u>

(a) Quoted Equities:

In thousands of Naira	<u>30/Sep/21</u>	<u>30/Sep/20</u>	<u>31/Dec/20</u>
At 1 January	56,820	53,500	53,500
Fair value gain/(loss)	(612)	(4,525)	3,320
	<u>56,208</u>	<u>48,975</u>	<u>56,820</u>

(b) Unquoted Equities:

In thousands of Naira	<u>30/Sep/21</u>	<u>30/Sep/20</u>	<u>31/Dec/20</u>
At 1 January	209,582	165,684	165,684
Addition through rights issue	-	-	-
Fair value gain	-	-	43,898
	<u>209,582</u>	<u>165,684</u>	<u>209,582</u>

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that have less than three month's maturity such as demand deposits and those without specified maturity such as statutory deposit, other receivables and other payables, the carrying amounts approximate to their fair value.

Determination of fair value and fair values hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- ▶ Level 1: Quoted (unadjusted) prices in active markets for identical assets
- ▶ Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and
- ▶ Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

18 Held to maturity financial assets

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Held to maturity financial assets	939,446	1,084,392	886,042
	939,446	1,084,392	886,042
18.1 Held to maturity financial assets comprises:	30/Sep/21	30/Sep/20	31/Dec/20
Treasury bills	731,975	1,084,392	886,042
Addition	207,471	-	-
	939,446	1,084,392	886,042
18.2 Classification	30/Sep/21	30/Sep/20	31/Dec/20
Current	939,446	1,084,392	886,042
Non-current	-	-	-
	939,446	1,084,392	886,042

19 Trade receivables

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Gross insurance receivables	-	-17,787	-
Impairment allowance	-	17,787	-
	-	-	-

The carrying amounts disclosed above approximate fair value at the reporting date. Impairment allowance involves all trade receivables aged over 30 days.

19.1 Impairment of trade receivables are as follows

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Insurance companies	-	-	-
Broker	-	-	-
	-	-	-

Impairment allowance involves all trade receivables aged over 30 days.

Classification	30/Sep/21	30/Sep/20	31/Dec/20
Current	-	-	-
Non-current	-	-	-
	-	-	-

20 Reinsurance asset

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Prepaid reinsurance	196,438	89,462	125,012
Reinsurance share of paid claims	77,286	138,937	18,337
Reinsurance share of outstanding claims	118,943	99,270	126,521
Reserve for IBNR (see note (a))	30,458	-	30,458
	423,126	327,669	300,328

Prepaid reinsurance represents the unexpired risk on premium ceded to reinsurer

Classification	30/Sep/21	30/Sep/20	31/Dec/20
Current	423,126	327,669	300,328
Non-current	-	-	-
	423,126	327,669	300,328

21 Deferred acquisition cost

This represent the unexpired portion of the commission paid to brokers and agents at the reporting date.

	Fire	Motor	General accident	Marine and aviation	Total
In thousands of Naira					
As at 1 January 2021	26,951	15,003	31,090	9,225	82,269
Additional Acquisition cost for the year	15,425	8,718	113,268	20,427	157,837
Amortization for the year (see note 5)	(15,425)	(8,718)	(113,268)	(20,427)	(157,837)
As at August 31, 2021	26,951	15,003	31,090	9,225	82,269
2021					
Current	26,951	15,003	31,090	9,225	82,269
Non-current	-	-	-	-	-
	26,951	15,003	31,090	9,225	82,269
2020					
Current	19,578	17,909	22,832	2,613	62,932
Non-current	-	-	-	-	-
	19,578	17,909	22,832	2,613	62,932

22 Other receivables and prepayment

In thousands of Naira

	30/Sep/21	30/Sep/20	31/Dec/20
Due from Insurance Company	-	-	-
Prepaid staff expense	16,820	367	4,244
Accrued interest on statutory deposit	11,014	4,936	10,491
Rent receivable	-	-	-
Deposit for computerization	93,880	93,880	93,880
Withholding tax receivable	9,832	8,822	9,279
Prepayments	32,430	36,997	34,536
	163,976	166,425	152,430
Impairment charged on other receivables (see note 22.1)	(96,754)	(96,754)	(96,754)
	67,222	69,671	55,676

22.1 Movement on impairment

As 1 January	(96,754)	(164,198)	(96,754)
Impairment (charge)/reversal during the year	-	67,444	-
	(96,754)	(96,754)	(96,754)

23 Investment properties

In thousands of Naira

	30/Sep/21	30/Sep/20	31/Dec/20
Reconciliation of carrying amount			
At 1 January	85,000	78,000	78,000
Disposal	-	-	-
Impairment loss	-	-	-
Fair value adjustment (see note 7)	-	-	7,000
	85,000	78,000	85,000

Investment properties are stated at fair value, which has been determined based on valuations performed by Ubsi Eleh & Co.(FRCN/2014/NIESV/0000003997), accredited independent valuers, The valuer is a specialist in valuing these types of investment properties. The determination of fair value of the investment property was supported by market evidence. The modalities and process of valuation utilized extensive analysis of market data and other sectors specific peculiarities corroborated with available data derived from previous experiences.

Valuations are performed on an annual basis and the fair value gains and losses were recorded within the profit or loss.

24 Current Tax Liability

The movement on tax payable account during the year is as follows:

24.1 Current tax payable

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
At 1 January	85,757	84,936	89,508
Payments during the year	(55,991)	(6,456)	(6,456)
Charge for the year (see note 11.1)	912	4,571	2,704
	-	-	-
	<u>30,678</u>	<u>83,051</u>	<u>85,756</u>

24.2 Deferred tax liabilities

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
At 1 January	115,300	107,368	112,657
Charge to profit or loss for the year (see note 11.2)	-	-	-
Recognized in OCI	-	-	2,643
	<u>115,300</u>	<u>107,368</u>	<u>115,300</u>
Deferred Income Tax Asset	(3,989)	-	(3,989)
	<u>111,311</u>	<u>107,368</u>	<u>111,311</u>

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 10% (2019: 10%) on investment properties and 30% (2019: 30%) on other items.

25 Intangible Asset

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
At 1 January	4,742	86,929	5,393
Additions	2,144	4,677	-
Amounts recorded in the income statement	-	-	-
	<u>6,886</u>	<u>91,606</u>	<u>5,393</u>
Accumulated amortisation and impairment:			
At 1 January	620	86,650.01	651.13
Amortization	-	-	-
	<u>620</u>	<u>86,650</u>	<u>651</u>
Carrying amount:			
At 31 August			
	<u>6,266</u>	<u>4,687</u>	<u>4,742</u>

The intangible assets are non-current.

26 Property, Plant and equipment

In thousands of Naira	Motor Vehicles	Building	Land	Computer Equipment	Office Furniture and Fittings	Work in progress	Total
Cost/Revalued Amount							
At 1 January 2021	194,259	525,000	276,000	116,352	114,067	-	1,225,678
Additions	88,475	2,090	-	1,779	7,834	-	100,179
Revaluation surplus	-	-	-	-	-	-	-
Elimination adjustment	-	-	-	-	-	-	-
Revaluation loss	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Reclasification	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As At 30 Septembert, 2021	282,734	527,090	276,000	118,131	121,902	-	1,325,857
Accumulated depreciation							
At 1 January 2021	172,028	-	-	115,035	100,076	-	387,139.37
Depreciation for the period	10,770	19,883	-	2,738	860	-	34,250.89
	182,798	19,883	-	117,773	100,936	-	421,390
Reclasification	-	-	-	-	-	-	-
Elimination adjustment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As At 30 Septembert, 2021	182,798	19,883	-	117,773	100,936	-	421,390
Carrying amount							
As At 30 Septembert, 2021	99,936	507,207	276,000	358	20,965	-	904,467
As at 30 September, 2020	23,568	504,286	205,000	5,817	14,266	-	752,938

26.1 All categories of property and equipment are initially recorded at cost. Subsequently, land and building are measured using revaluation model. The elimination adjustment shows the netting-off of accumulated depreciation against the carrying amount (previous revalued amount) in order to show the net book value as at the day of revaluation.

A valuation was conducted by Ubosi Eleh & Co.(FRC/2013/NIESV/0000001493). They have relevant recognized professional qualification and experience in the property being valued. The property was valued using the OMV basis as at 31 December 2020. The valuation method is the comparable method.

27 Statutory deposit

This represents the amount deposited with the Central Bank of Nigeria as at July 31, 2021, 2020: ₦333,654,000) in accordance with Section 10 (3) of Insurance Act 2003. Interest income was earned at an average rate of 10% per annum and this has been included within investment income.

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Statutory deposit	333,654	333,654	333,654

28 Insurance contract liabilities

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Provision for reported claims by policyholders	311,914	422,519	407,374
Provisions for claims incurred but not reported (IBNR)	91,668	118,599	91,668
Outstanding claims provisions	403,582	541,118	499,042
Provision for unearned premiums	499,938	389,076	403,551
	903,520	930,194	902,593

The cash and cash equivalents as described in note 16 serves as a cash cover for the insurance contract liabilities.

28.2 Outstanding reported claims provision

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
At 1 January	407,374	351,573	351,960
Movement during the year	(95,460)	70,946	55,414
	311,914	422,519	407,374

28.3 IBNR provision

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
At 1 January	91,668	70,946	118,599
Movement during the year	-	-	(26,931)
	91,668	118,599	91,668

28.4 Provision for unearned premiums

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
At 1 January	403,552	404,167	373,981
Movement during the year (see note 28.5)	96,387	(15,092)	29,571
	499,938	389,076	403,552

28.5 Movement during the year (see note 1)

	30/Sep/21	Movement	31/12/2020
Unexpired Risk - Aviation	270	155	115
Unexpired Risk - Agric	-	-	-
Unexpired Risk - Bonds	273	(33)	306
Unexpired Risk - Engineering	62,192	6,483	55,709
Unexpired Risk - Fire	109,043	1,682	107,361
Unexpired Risk - General Accident	47,222	8,883	38,338
Unexpired Risk - Marine Cargo	10,014	1,312	8,702
Unexpired Risk - Marine Hull	18,118	13,341	4,777
Unexpired Risk - Motor	131,445	(13,486)	144,931
Unexpired Risk - Oil And Gas	121,361	78,049	43,312
	499,938	96,387	403,552

29 Trade payables

In thousands of Naira

	<u>30/Sep/21</u>	<u>30/Sep/20</u>	<u>31/Dec/20</u>
This represents the amount payable to insurance companies on facultative placements	71,091	-	-
	<u>71,091</u>	<u>-</u>	<u>-</u>

Trade payables are recognised when due. These include amount due to agents, brokers and insurance and reinsurance contract holders. Trade payables are measured on initial recognition at the fair value of the consideration received and subsequently measured at amortized cost.

The company has the right to set-off reinsurance payables against the amount due from reinsures and brokers in line with the agreement between both parties. Trade payables includes reinsurance liabilities which are primarily premiums payable on reinsurance contracts entered into by the company and are recognised as at when incurred. Commissions payable to the brokers also form part of trade payables.

Trade payables are derecognized when the obligation under the liability is settled, cancelled or expired.

30 Other payables and accruals

In thousands of Naira

	<u>30/Sep/21</u>	<u>30/Sep/20</u>	<u>31/Dec/20</u>
Accrued expenses	42,317	33,312	38,168
Deferred revenue (see note 31)	10,072	7,792	3,151
Deferred commission income	48,059	20,730	31,694
Statutory payables	9,148	5,512	1,743
Other payables	61,713	54,743	59,318
	<u>171,309</u>	<u>122,090</u>	<u>134,074</u>
Due within 12 months	171,309	122,090	134,074
Due after 12 months	-	-	-
	<u>171,309</u>	<u>122,090</u>	<u>134,074</u>

Other payables represent outstanding PAYE, NSITF, ITF, NHF, union dues, withholding tax, VAT, travel insurance, stale cheque, unclaimed dividend and other creditors.

30.1

31 Deferred Revenue

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
At 1 January	3,151	3,347	3,347
Deferred rental income	14,780	8,302	8,654
Amount released to the income statement	(7,859)	(3,857)	(8,850)
	10,072	7,792	3,151

Rental income arising from rent on properties is accounted for on a straight line basis over the rent terms and is included in investment income.

32 Employee benefit obligations**Defined benefit****Employee Benefit**

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
End of service benefit plan (see note (a) below)	1,743	4,316	4,316
Defined benefit plan	7,405	1,196	(2,573)
	9,148	5,512	1,743
Classified as:			
Current	9,148	5,512	1,743
Non-Current	-	-	-
	9,148	5,512	1,743

The end of service benefit plan qualify as a defined benefit obligation and was actuarially determined at year end upto December 31, 2020. This obligation has been settled fully in the year 2021. The balance of N1,743,000 standing in the account as at December 31, 2020 represents the defined benefits plan for staff.

33 Deposit for shares

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Deposit for shares	151,400	151,400	151,400
	151,400	151,400	151,400

Deposit for shares represents funds from three parties for subscription to the equity shares of the Company.

34 Share capital and reserve**34.1 Authorised and issued share capital**

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Authorised share capital	4,000,000	4,000,000	4,000,000
8.0 billion Ordinary shares of N0.50k each			

34.2 Issued and fully paid

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
At 1 January	3,070,000	3,070,000	3,070,000
Issued during the period	-	-	-
Issued and fully paid	3,070,000	3,070,000	3,070,000

35 Share premium

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
At 1 January	337,545	337,545	337,545
Share premium	337,545	337,545	337,545

35.1 SHAREHOLDING STRUCTURE**S/N Shareholding Structure/Free Float Status**

1	Description	30-Jun-21		30-Jun-20	
		Unit	Percentage	Unit	Percentage
	Issued Share Capital	6,140,000,000	100%	6,140,000,000	100%
	Substantial Shareholdings (5% and above)				
2	Mr. Anthony Achebe (Indirect - representing the interest of Chrome Oil Services Limited)	2,798,514,210	45.58%	2,798,514,210	45.58%
	Mr. Emeka Uzoukwu (Indirect - representing the interest of Nimek Investments Limited.)	1,288,252,777	20.98%	1,288,252,777	20.98%
	Total Substantial Shareholdings	4,086,766,987	66.56%	4,086,766,987	66.56%

Declaration:

Not applicable (NA)

36 Statutory contingency reserve

In accordance with the Insurance Act of Nigeria, a contingency reserve is credited with the greater of 3% of total premium or 20% of profit of general insurance business and 1% of total premium or 10% profit for life business. This shall accumulate until it reach the amount of greater of minimum paid up capital or 50% of net premium.

In thousands of Naira		30/Sep/21	30/Sep/20	31/Dec/20
At 1 January		551,323	518,878	518,878
Transfer from Profit and Loss A/C 3% of gross premium	32,829			32,445
Transfer from Profit and Loss A/C 20% of Net Profit	1,034	32,829	23,873	
		584,153	518,878	551,323

37 Accumulated Losses

In thousands of Naira		30/Sep/21	30/Sep/20	31/Dec/20
At 1 January		(2,019,412)	(1,759,222)	(1,759,294)
Loss for the year		5,170	(142,870)	(227,673)
Transfer to contingency reserve		(32,829)	(23,873)	(32,445)
Transfer from employee benefit reserves		-	-	-
		(2,047,071)	(1,925,965)	(2,019,412)

38 Available-for-sale Financial Assets Reserve

In thousands of Naira		30/Sep/21	30/Sep/20	31/Dec/20
At 1 January		112,731	65,513	65,513
Reversal of prior year fair value loss				
Fair value changes - Quoted Equity		5,447	(4,525)	3,320
Fair value changes - Unquoted Equity (See (a) below)		-	-	43,898
		118,178	60,987	112,731

39 Employment benefit reserve

At the beginning of the period		-	-	-
For the period		-	-	-
Reclassification		-	-	-
		-	-	-

A valuation of the Company's unquoted equity was conducted by Pedabo (FRC/2013/ICAN/00000000904). They have relevant recognized professional qualification and experience.

40 Asset revaluation

At the beginning of the period		65,688	-	41,902
For the period		-	-	23,786
		65,688	-	65,688

Fair value changes - Unquoted Equity (See (a) below)

41 Contravention of laws and regulations

The Company incurred the following penalty/fine during the year:

Description	30/Sep/21	30/Sep/20	31/Dec/20
In thousands of Naira			
	-	-	-
	-	-	-

42 Related party disclosures

The Company entered into transaction with shareholders of the company and key management personnel in the normal course of business.

43 Employees and directors

a. Employees

The average number of persons employed by the Company during the year was as follows:

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Executive directors	-	-	-
Management	-	-	-
Non-management	-	-	-
		-	-

The number of employees of the Company, other than non directors, who received emoluments in the following ranges (excluding pension)

	Number	Number	Number
Less than N800,001	-	-	-
N800,001 - N2,000,000	-	-	-
N2,000,001 - N2,800,000	-	-	-
N2,800,001 - N3,500,000	-	-	-
N3,500,001 - and Above	-	-	-

b. Directors

Remuneration paid to the Company's directors (excluding pension contribution) was:

In thousands of Naira	30/Sep/21	30/Sep/20	31/Dec/20
Fees and sitting allowances	-	-	-
Executive compensation	-	-	-
	-	-	-

The chairman

The highest paid director

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses) in

	30/Sep/21	30/Sep/20	31/Dec/20
	Number	Number	Number
Below N1,600,000	-	-	-
N1,600,000 - N2,000,000	-	-	-
N2,000,001 - N2,900,000	-	-	-
N2,900,001 - N3,400,000	-	-	-
N3,400,000 - and above	-	-	-

44 Events after the reporting period**45 Reconciliation of Statement of Cash flow**

In thousands of Naira

	30/Sep/21	30/Sep/20	31/Dec/20
45.1 Premium received			
Gross written premium per income statement	1,094,311	795,776	1,081,507
Decrease/(increase) in insurance receivables	-	5,226	5,226
Impairment of insurance receivable charged during the year	-	-	-
	1,094,311	801,001	1,086,733
45.2 Commission received			
Decrease/(Increase) in deferred commission income	(16,365)	7,597	(3,295)
Fees and commission income per income statement	46,811	56,397	80,484
	30,445	63,994	77,190

45.3	Reinsurance premium paid			
	Reinsurance premium per income instatement	(342,701)	(223,554)	(317,982)
	Change in trade payables	71,091	-	-
	Decrease/(increase) in reinsurance asset	(122,798)	19,130	(16,420)
		(394,408)	(204,423)	(334,402)
45.4	Gross claims paid net of recoveries			
	Claims incurred	117,226	138,937	212,822
	Gross claims paid per income statement	(227,430)	(244,434)	(271,589)
		(110,203)	(105,497)	(58,767)
	Analysis of recoveries on claims paid			
	Cash claim recoveries	117,226	72,238	320,046
	Claims receivables on claims paid	-	66,699	2,573
		117,226	72,238	322,619
45.5	Payments to employees			
	Employee benefits expenses	(236,866)	(237,943)	(320,046)
	(Decrease)/Increase in employee benefit obligations	7,405	1,196	(2,573)
		(229,461)	(236,748)	(322,619)
45.6	Other operating cash payments			
	Other Operating expenses	(187,708)	(167,164)	(262,509)
	Less: Non Cash Items			
	Decrease/(Increase) in other receivables and prepayments	(11,546)	3,012	17,006
	Increase/(Decrease) in other payables	37,235	(10,306)	1,606
	(Increase)/Increase in insurance payables	-	-	-
	Decrease/(Increase) in other financial liabilities	-	-	-
	Change in statutory deposit	-	-	-
		(162,019)	(174,459)	(243,898)
45.7	Investment income received			
	Rental income from land and building	7,859	3,857	4,875
	Dividend income on AFS equity	9,009	7,262	8,752
	Interest income on statutory deposit with CBN	4,994	31,668	13,868
	Interest income on fixed placement	927	11,187	13,128
	Interest income on treasury bills	38,770	48,307	43,623
		61,558	102,282	84,245
45.8	Other income received			
	Sundry Income	-	47	47
	Recoveries from other receivables	-	-	-
	Sundry Income	-	-	-
		-	47	47

46 Dealings in Issuers' Shares

The Company has a Securities Trading Policy which governs the trading of the Company's Securities by Insiders. The Policy has been circulated to all Directors and employees and also uploaded on the Company's website. The Company has contacted the Directors and they confirmed compliance with the Policy and the required provisions set out in Exchange's rule during the quarter under review. This is in compliance with the provisions of Security and Exchange Commission Rule 17.15(d).